

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE
Revised

House Bill 878

(Delegate Stein, *et al.*)

Environmental Matters

Budget and Taxation

**State Highway Administration - Compost and Compost-Based Products -
Specification**

This bill establishes the use of compost and compost-based products in highway construction projects in the State as a best management practice for erosion and sediment control, as well as postconstruction stormwater management. By December 30, 2014, the State Highway Administration (SHA) must establish a specification for acquiring and using compost and compost-based products for (1) erosion and sediment control practices identified in the most recent Maryland Standards and Specifications for Soil Erosion and Sediment Control developed by the Maryland Department of the Environment (MDE) and (2) postconstruction stormwater management practices identified in MDE's most recent Maryland Stormwater Design Manual. SHA must update the specifications as necessary and post the specifications on its website. The bill also establishes specified study and reporting requirements for SHA.

The bill takes effect July 1, 2014.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures increase by approximately \$25,000 in FY 2015 to develop a tracking system for the use of compost and compost-based products in the State. TTF expenditures increase by approximately \$40,000 in FY 2016 to conduct the required analysis and the related report. Costs to update specifications and conduct the survey of other states' practices can be handled with existing budgeted resources. TTF expenditures increase minimally in future years to develop the required annual reports. Revenues are not affected.

| (in dollars) | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|----------------|------------|------------|---------|---------|---------|
| Revenues | \$0 | \$0 | \$0 | \$0 | \$0 |
| SF Expenditure | 25,000 | 40,000 | - | - | - |
| Net Effect | (\$25,000) | (\$40,000) | \$0 | \$0 | \$0 |

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: The bill does not directly affect governmental operations or finances; however, local governments may be affected to the extent the bill reduces the amount of organic material that must be deposited in landfills.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: SHA must (1) consult with other states on the acquisition and use of compost and compost-based products for highway construction projects in other states; (2) assess how compost and compost-based products used in other states can be adopted and replicated by SHA; (3) review SHA’s existing specifications and identify compost-based product equivalents to add to the existing specifications; and (4) develop recommendations for maximizing the use of compost as a recycled material in State highway construction projects. SHA’s findings and recommendations must be reported to the General Assembly by December 1, 2015 and must include (1) a summary of SHA’s current and updated compost specifications; (2) identification of any additional compost-based products for which SHA could develop a specification; (3) recommendations to maximize the use of compost as a recycled material in State highway construction projects; (4) lessons learned from other states; (5) and the potential market for using compost and compost-based products in highway construction projects.

Beginning December 1, 2015, and annually thereafter, SHA must report to the General Assembly on (1) the volume of compost used in State highway construction projects; (2) the status of compost and compost-based products used in State highway construction projects; and (3) recommendations to maximize the use of compost as a recycled material in State highway construction projects.

Current Law/Background: “Composting” is defined as the controlled biological decomposition of organic waste material in accordance with the standards established by MDE. Various MDE regulations provide standards for the composting of specified types of materials, the operation of specified composting facilities, and the properties of saleable compost. “Compost” is defined as the product of composting in accordance with product standards for commercial use and distribution established by the Secretary of Agriculture in consultation with MDE. These standards include certification

requirements for operators of composting facilities and a classification scheme for compost.

Chapter 594 of 2010 created the Maryland Green Purchasing Committee, which has since developed a best practices manual as well as purchasing guidelines for environmentally friendly products for use by State and local government entities. The Act requires any State or local unit responsible for the maintenance of public lands, to the maximum extent practicable, to give consideration and preference to the use of compost in any land maintenance activity paid for with public funds.

SHA maintains a qualified products list for products that have been approved for use and are required by SHA to meet standards, specifications, and policies when working on or along State roadways. SHA also maintains a list of standard specifications for construction and materials to be used on or along State roadways. Products that are used on State roadways and are not included on these lists may be removed at cost to the contractor or agency responsible for installing the product.

MDE maintains the Maryland Standards and Specifications for Soil Erosion and Sediment Control, which provides guidance for applicants, designers, plan reviewers, developers, contractors, and inspectors to control sediment-laden runoff from construction sites and ensure the protection of Maryland's streams, rivers, and the Atlantic Coastal and Chesapeake bays. MDE also maintains the Maryland Stormwater Design Manual, which provides guidance for engineers and designers to control runoff during construction and other projects. Both include specifications for compost and compost-based products.

Generally recognized benefits of composting include diverting waste from landfills; reducing emissions of methane, a greenhouse gas; and providing an inexpensive source of natural fertilizer. According to the U.S. Environmental Protection Agency, yard trimmings and food residuals together constituted about 30% of the U.S. municipal solid waste stream in 2010. MDE estimates that in 2012, 8.5% of food scraps and 70.9% of yard trimmings were composted in Maryland.

MDE reports that Maryland has 13 known composting facilities and that many smaller facilities exist, although the exact number is unknown.

Chapter 363 of 2011 required MDE, in consultation with the Maryland Department of Agriculture and the Maryland Environmental Service, to study composting in Maryland, including the laws or regulations governing composting, and to make recommendations about how to promote composting in Maryland. MDE was required to report its findings, recommendations, and a summary of the laws and regulations governing composting, to the General Assembly by January 1, 2013. The study reviewed other states' composting

requirements, determined ways to further encourage composting in Maryland, and considered model composting regulations from the U.S. Composting Council. Three of the 15 recommendations made by the workgroup called on the State to endorse a variety of compost uses, and the workgroup specifically recommended that SHA maintain an up-to-date list of approved compost and compost-based products for use in highway projects and other applications.

State Expenditures: TTF expenditures increase by approximately \$25,000 in fiscal 2015 to develop a tracking system for compost and compost-based product use in the State. TTF expenditures increase by approximately \$40,000 in fiscal 2016 to (1) use the data collected from other states to develop recommendations for maximizing the use of compost as a recycled material in State highway construction projects and (2) prepare the first annual report on compost use in the State. TTF expenditures increase minimally in future years to develop the required annual reports.

Costs for updating the specifications related to MDE-approved compost products and conducting the survey of other states' practices can be handled with existing budgeted resources. SHA estimates that updating the specifications takes approximately 40 hours of staff time and that the review of other states' practices can be performed through established federal forums such as the American Association of State Highway and Transportation Officials.

The bill does not materially affect MDE operations or finances.

Small Business Effect: MDE reports that there are numerous small commercial composting facilities in the State, and that many of these facilities likely qualify as small businesses. To the extent that the bill results in additional awareness and use of compost and compost-based products, composting facilities benefit from an increase in demand for their services.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Transportation; Maryland Department of the Environment; Baltimore City; Caroline, Howard, and Montgomery counties; U.S. Environmental Protection Agency; American Association of State Highway and Transportation Officials; Department of Legislative Services

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Analysis by: Richard L. Duncan

Direct Inquiries to:
(410) 946-5510
(301) 970-5510